

**REGENT FUND
8 REASONS FOR BUYING**

INVESTING IN CANADA:

By investing in REGENT FUND you are investing in a cross section of Canadian industry and its growth.

INFLATION PROTECTION:

Holders of REGENT FUND are protected through their investment in the productive capacity and natural resources of Canada, the value of which keeps pace with the cost of living.

INVESTMENT POLICY:

EMPHASIS IS PLACED ON SPECIAL SITUATIONS IN INVESTMENT OPPORTUNITIES WHICH HAVE BEEN OVERLOOKED BUT HOLD CONSIDERABLE POSSIBILITIES OF FUTURE CAPITAL GAINS.

DIVERSIFICATION FOR SAFETY:

Regent's prudent investment in sound industries ensures maximum safety through diversification.

PROFESSIONAL MANAGEMENT:

REGENT FUND'S investment policy is under the guidance of full time professional investment management. All recommendations to buy and sell securities must be approved by Regent's outstanding Board of Directors.

DIVIDENDS:

REGENT FUND Shareholders have the privilege of reinvesting their dividends in the purchase of additional shares of Regent Fund Ltd. at the Net Asset Value. No commission is payable on any such purchase.

CUSTODIAN OF SECURITIES:

Montreal Trust Company is custodian of Regent's Securities.

EASY TO BUY OR SELL:

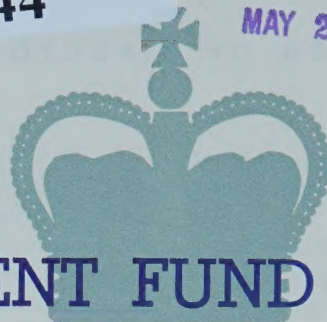
REGENT FUND Shares may be bought through your Broker, Bank or Trust Company. Shares are redeemable at any time at the Net Asset Value at no additional cost or brokerage fee.

**THREE WAYS TO BUY
REGENT FUND SHARES**

1. CASH PURCHASE in any denomination.
2. REGENT FUND SAVINGS PLAN.
3. REGENT FUND RETIREMENT SAVINGS PLAN.

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MAY 28 1959



REGENT FUND LTD.

A CANADIAN MUTUAL
INVESTMENT FUND

ANNUAL REPORT

MARCH 31, 1959

REGENT FUND LTD.

1010 ST. CATHERINE STREET WEST

MONTREAL, P.Q.

UN. 6-9096

BOARD OF DIRECTORS

OF

REGENT FUND LTD.

**CHARLES M. DRURY, C.B.E., Q.C.,
D.S.O., E.D.**

President:
Provincial Transport Company.

Member:
Council of Northwest Territories.
Formerly, Deputy Minister, Department of
National Defence.

Director:
Foundation Company of Canada, Ltd.

H. CARL GOLDENBERG, O.B.E., Q.C.

Barrister-at-Law.
Economic and Financial Consultant to
Governments and Industry.

SAMUEL ASTROF
Investment Dealer

President:
Wilbank Investments Ltd.

ROBERT M. FOWLER

President:
Canadian Pulp & Paper Association.
Newsprint Association of Canada.

WILBERT H. HOWARD, C.B.E., Q.C.

Partner:
Common, Howard, Cate, Ogilvy, Bishop,
Cope, Porteous & Hansard.

Chairman:
Montreal Trust Company.
Anglo-Newfoundland Development Co., Ltd.
Canadian Petrofina Ltd.

Director:
The Royal Bank of Canada.
Anglo-Canadian Pulp and Paper Mills Ltd.
Consolidated Paper Corp. Ltd.
Howard Smith Paper Mills Ltd.
Canada Cement Co. Ltd.

Vice-President:
Royal Bank of Canada.

OFFICERS

CHARLES M. DRURY, C.B.E., Q.C., D.S.O., E.D.	President
H. CARL GOLDENBERG, O.B.E., Q.C.	Vice President
E. LEONARD PACUN, C.A.	Secretary-Treasurer

TRANSFER AGENT & CUSTODIAN OF SECURITIES
Montreal Trust Company Montreal, Charlottetown

President's Report to the Shareholders

I am pleased to report that this past year has been another year of progress for Regent Fund Ltd. This has been achieved despite the further emergence of two contradictory forces — recession and unemployment on the one hand, inflation and higher prices on the other.

Nevertheless, the Stock Market experienced a marked upswing. The Dow-Jones Averages rose from 446.76 to 601.68. This optimistic recovery is explained in part by the inflationary trend and by a shortage of sound securities to fill the demand created by both institutional and public buying.

Progress of Regent Fund

The Net Asset Value per share of Regent Fund Ltd. rose to \$5.71 on March 31st, 1959, from \$4.69 a year earlier. This is an increase of 22%.

You will be interested in knowing that Regent Fund Ltd. has, since its inception outdistanced both the Dow-Jones Averages and the Montreal Stock Exchange Combined Average by 3 $\frac{3}{4}$ % and 16 $\frac{3}{4}$ % respectively.

In every way, we feel, the second fiscal year of your Fund should be regarded with satisfaction and the coming year should present greater opportunities and greater growth.

Present Investment Policy

Because the Market is markedly out of line with Canada's economic climate, your Directors and Management consider it prudent to maintain an attitude of caution. This attitude is reflected in the investment position of Regent Fund Ltd. As of March 31st, 1959, the Fund was approximately 75% invested in Preferred and Common Shares. The balance was invested in cash and short-term Bonds.

At the present time, the purchase of sound growth equities appears to present rewarding opportunities over the long term. However, we will pursue a policy of maintaining a relatively liquid position until the Stock Market situation begins to clarify.

Operating Cost

During the fiscal year ending March 31st, 1959, the total cost of operating your Fund was \$1,038.63. This amount was paid to Dexter Distributors Ltd. as management and advisory fees and to cover all other costs except capital and income taxes. In accordance with our expressed policy, the Directors and Officers did not receive any remuneration from the Fund.

Dividends

During 1958 dividends of twenty cents a share were paid. We anticipate that during the present year earnings will be maintained at the same rate and that practically all earnings will be paid out in dividends.

Special Situations

"Special Situations", in which your Fund is primarily interested, will be actively sought during the coming months. Two examples of our success with "Special Situations" during the past year are CANADIAN FAIRBANKS-MORSE and CANADIAN CHEMICALS AND CELLULOSE. Our Capital Gains appreciation was 88% in the case of CANADIAN FAIRBANKS-MORSE and 85% in the case of CANADIAN CHEMICALS AND CELLULOSE.

MAY 1, 1959

C. M. DRURY, President

ASSETS

Current assets :

Cash	\$ 18,314.93
Interest accrued and dividends receivable	1,007.91
	19,322.84

Investments—schedule attached :

Canadian :	Cost	Market Value	
Preferred stocks	\$ 18,710.00	\$ 20,275.00	
Common stocks	76,935.00	92,200.00	
Bonds	<u>25,000.00</u>	<u>25,000.00</u>	
	<u>\$120,645.00</u>	<u>\$137,475.00</u>	\$137,475.00

APPROVED ON BEHALF OF THE BOARD :

(Sgd.) C. M. DRURY, Director

(Sgd.) SAMUEL ASTROF, Director

\$156,797.84

Note 1 :

From the amounts paid by investors for new shares issued by the company, a commission is paid to the selling agent, after which the company receives and retains a net amount equivalent to the net asset value per share as of the dates of sale. In the company's accounts, \$1.00 per share of this net amount is allotted to capital stock and the excess over \$1.00 per share is allotted to the capital and revenue sections of paid-in surplus in proportion to the per share amount of net capital assets and of earned surplus on hand at that date. Paid-in surplus—capital section is not available for the payment of dividends.

FUND LTD.

Sheet

1959

LIABILITIES

Current liabilities :

Due to broker for security purchased	\$ 6,840.00
Income taxes payable	200.00
Accrued management and advisory fees	335.52
Due to shareholders	22.10
	<u>7,397.62</u>

Shareholders' equity :

Deferred shares:

Authorized — 100 shares of \$1.00 par value

Common shares of \$1.00 par value:

Authorized	2,000,000
Redeemed	7,850
	<u>1,992,150</u>

Outstanding 26,147 Common shares \$ 26,147.00

Surplus :

Paid-in surplus :

Capital section, schedule attached	\$ 91,130.35
Revenue section, schedule attached	11.18
	<u>91,141.53</u>

Capital surplus on redemption of common

shares, schedule attached	7,850.00
Earned surplus, schedule attached	1,514.29
Surplus realized from sales of investments	5,917.40

106,423.22

Unrealized appreciation on investments	16,830.00	123,253.22	149,400.22
		<u></u>	<u>\$156,797.84</u>

AUDITORS' REPORT

We have examined the balance sheet of Regent Fund Ltd. as of March 31, 1959 and the statements of income and expenditure and surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the above balance sheet and statements of income and expenditure and surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at March 31, 1959 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

Montreal, P.Q., April 8, 1959.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants.

REGENT FUND LTD.

STATEMENT OF INCOME AND EXPENDITURE

Year ended March 31, 1959

Revenue :		
Dividends	\$2,973.75	
Interest	<u>1,313.33</u>	\$4,287.08
Expenses :		
Management and advisory fees	1,038.63	
Taxes	<u>202.00</u>	1,240.63
		3,046.45
Provision for income taxes		<u>100.00</u>
Net profit for the year transferred to earned surplus		<u>\$2,946.45</u>

STATEMENT OF PAID-IN SURPLUS

CAPITAL SECTION

Year ended March 31, 1959

Balance March 31, 1958		\$ 75,302.40
Excess over \$1.00 per share of amounts received on issue of 9,709 common shares during the year, after deducting therefrom the portion applied to revenue section		<u>42,087.45</u>
		117,389.85
Less :		
Excess over \$1.00 per share of amounts paid in respect of 5,450 common shares redeemed during the year, after deducting therefrom the portion applied to revenue section	\$ 20,809.50	
Transfer to capital surplus of amount equal to par value of shares redeemed during the year	<u>5,450.00</u>	26,259.50
Balance March 31, 1959		<u>\$ 91,130.35</u>

REGENT FUND LTD.

STATEMENT OF PAID-IN SURPLUS

REVENUE SECTION

Year ended March 31, 1959

Balance March 31, 1958	\$ 3.74
Portion of amounts paid for common shares issued during the year, equivalent to the undistributed income per share on hand at the time of issue	477.94
	<u>481.68</u>
Less similar portion as above of amounts paid for shares redeemed during the year	470.50
Balance March 31, 1959	<u>\$ 11.18</u>

STATEMENT OF CAPITAL SURPLUS

ON REDEMPTION OF COMMON SHARES

Year ended March 31, 1959

Balance March 31, 1958	\$2,400.00
Transfer from paid-in surplus—capital section of amount equal to par value of shares redeemed during the year	5,450.00
Balance March 31, 1959	<u>\$7,850.00</u>

STATEMENT OF EARNED SURPLUS

Year ended March 31, 1959

Balance March 31, 1958	\$2,474.14
Add net profit for the year	2,946.45
	<u>5,420.59</u>
Less :	
Dividends paid :	
10¢ per share paid May 1, 1958	\$2,083.80
10¢ per share paid December 1, 1958	1,822.50
	<u>3,906.30</u>
Balance March 31, 1959	<u>\$1,514.29</u>

REGENT FUND LTD.

SCHEDULE OF INVESTMENTS

March 31, 1959

PREFERRED		No. of shares	Cost	Market Value
Acadia Atlantic Sugar Refineries Ltd.	\$1.20	200	\$ 4,060.00	3,950.00
Anglo-Canadian Pulp & Paper Mills, Ltd.	\$2.80	100	5,115.00	5,150.00
Bruck Mills, Ltd. "A"	\$1.20	600	4,920.00	6,300.00
Canadian Celanese, Ltd.	\$1.00	100	1,605.00	1,775.00
Canadian Celanese, Ltd.	\$1.75	100	3,010.00	3,100.00
			<u>18,710.00</u>	<u>20,275.00</u>

COMMON				
Alberta Gas Trunk Line Co., Ltd.		300	6,840.00	6,787.50
Anglo-Canadian Pulp & Paper Mills, Ltd.		200	8,080.00	8,800.00
Canadian Celanese, Ltd.		200	2,850.00	4,050.00
Canadian Chemical & Cellulose Co. Ltd.		900	5,228.75	9,675.00
Canadian Pacific Railway Co.		200	5,390.00	5,950.00
Consolidated Mining & Smelting Co., Ltd.		200	3,885.00	3,950.00
Consumers Glass Co. Ltd.		200	4,810.00	7,000.00
Distillers Corp. — Seagrams Ltd.		100	2,610.00	3,187.50
DuPont Co. of Canada (1956) Ltd.		200	3,460.00	5,000.00
Provincial Transport Company		400	5,531.25	5,700.00
St. Lawrence Corp. Ltd.		300	4,050.00	5,325.00
Sovereign Life Assurance Co. of Canada		50	11,055.00	10,500.00
Steel Company of Canada, Ltd.		100	4,640.00	7,500.00
Trans-Canada Pipe Lines Ltd.		300	8,505.00	8,775.00
			<u>76,935.00</u>	<u>92,200.00</u>

BONDS				
Town of Mackayville—4½ % due May 1, 1959			25,000.00	25,000.00
TOTAL INVESTMENTS			<u>\$120,645.00</u>	<u>137,475.00</u>

AUDITORS' REPORT

In our opinion the above schedule of investments of Regent Fund Ltd. as of March 31, 1959 presents fairly the information which it purports to present.

Montreal, Quebec.
April 8, 1959.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants.